

FEAR OF FLYING • HEALTH CARE REFORM THAT CAN WORK • MERCEDES

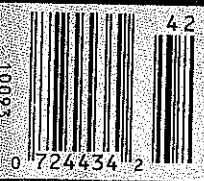
OCTOBER

\$3.95

FORTUNE

Seven CEOs who
make your top dog
look like a pussycat

AMERICA'S TOUGHEST BOSSSES





To Dolan, aboard a prototype she helped to design, ease of entry is key.

jobs at the Big Three automakers. That represents an increase from a half dozen in 1968, and the number is still growing. The country's top two auto design programs—at Detroit's Center for Creative Studies and the Art Center College of Design in Pasadena, California—anticipate graduating the most women ever in '94: respectively, four out of a class of 20 and three from a class of about 30.

The increase is good for business. Says Mimi Vander-molen, 47, principal designer of Ford Motor's Probe and the industry's highest-ranking female design executive: "We need more women designing vehicles for the simple reason that they use them." And buy them. Female customers account for 46% of new-car sales in the U.S. and influence some 80% of all other purchasing decisions.

Women's design concerns may often be more pragmatic than those of their male counterparts. "Is the trunk deep enough for groceries?" asks Marietta Ellis, 33, a designer with General Motors' Oldsmobile division, "and where do you store things if you have kids?"

Chrysler's Julie Gendelman Dolan, 30, who stands five feet tall, adds another dimension to car design. "A lot of it is size," she says. "Can you see out comfortably, can you reach the controls, is the car easy to get into and out of?"

The big challenge facing designers of either sex? Says

Chrysler's Karen Kuzinkoski, 31: "A car that lets you drive in high heels." —Justin Martin

CAFÉ SOCIETY VIA INTERNET

■ Eighteen coffeehouses in and around San Francisco have gone on-line, installing computer terminals that operate more or less like jukeboxes: a quarter in the slot buys four minutes during which you can hook into the Internet and send a message to Moscow, say, or chat electronically with customers in other wired-up San Francisco cafés. Says Wayne Gregori, 36, founder of SF Net, which builds and programs the café computers: "We specifically target cafés in low-income areas. We're trying to get the have-nots on computer."

The Horseshoe Coffee House, one of the first cafés to install Gregori's computers, is on a seedy block of Haight Street. The traffic on its two terminals comes from many quarters, including dropouts, slackers, and the gainfully employed. A recent Wednesday afternoon found Scott Williams, 31, enjoying a day off from his job as a salesman at the Emporium, a local store. Says he: "I usually do this from home, but I was in the neighborhood. It's an addiction."

Williams was there to partake of Gregori's chat network, the most popular feature of the café's computer. There are 450 subscribers who pay \$7 a month for access to the system from home, but most of the

THE INSIDER

BIG BLUE LANGUAGE

Maybe Lou Gerstner of IBM has watched too many sneaker ads: The theme of his current stump speech echoes Nike's "Just do it" theme. Says Gerstner, 51: "IBM's problems are about a failure to out-implement our competitors. We've allowed them to get to the market ahead of us with technology and services that we either invented or conceived earlier than those competitors!" A copy of the CEO's remarks has appeared in *Think*, an IBM internal magazine. They're followed by a plea for "dreams with deadlines!" And, one hopes, cash flow.

Jazziness spreads as the company mag celebrates the rise of striped shirts. Further, IBM recently moved to name divisions after what they actually do. ("Enterprise" is now called "Large Scale Processors," which at least implies it sells computers instead of starships.) Now rumor has it that a logo change is in the hopper. Not so, says IBM. Shareholders may hope not. Replacing the current version, designed in 1962, on everything from signs to shipping cartons would cost millions.

■■■ **STILL CRUSTY** While the Department of Transportation reviews Frank Lorenzo's bid to run an airline again, some of the ex-Continental chief's dough is tied up elsewhere. The fitness fanatic (who once made our Toughest Bosses list) has invested in a New York bread biz. "The Nineties is the decade of bread," he was quoted as saying.

■■■ **CHEERIOS WAS TAKEN** You have probably seen ads for Fingos, a new General Mills product. Since you're supposed to eat the cereal manually, the company probably thought the name was a cute play on fingers. Just as well there are no European export plans. In Hungarian, the name sounds like "fart"—or worse.

■■■ BIOTECH GOES BROKE

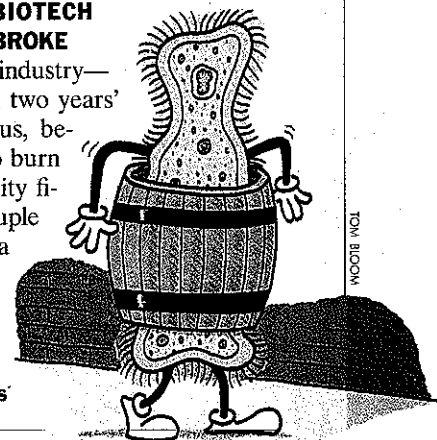
Most companies in the industry—58%—are holding less than two years' worth of cash. That's serious, because these ventures tend to burn money, and windows of equity financing open only every couple of years. The results, says a new Ernst & Young report, will be a continuing scramble for alliances, private placements, and arcane financing. —Alison Rogers

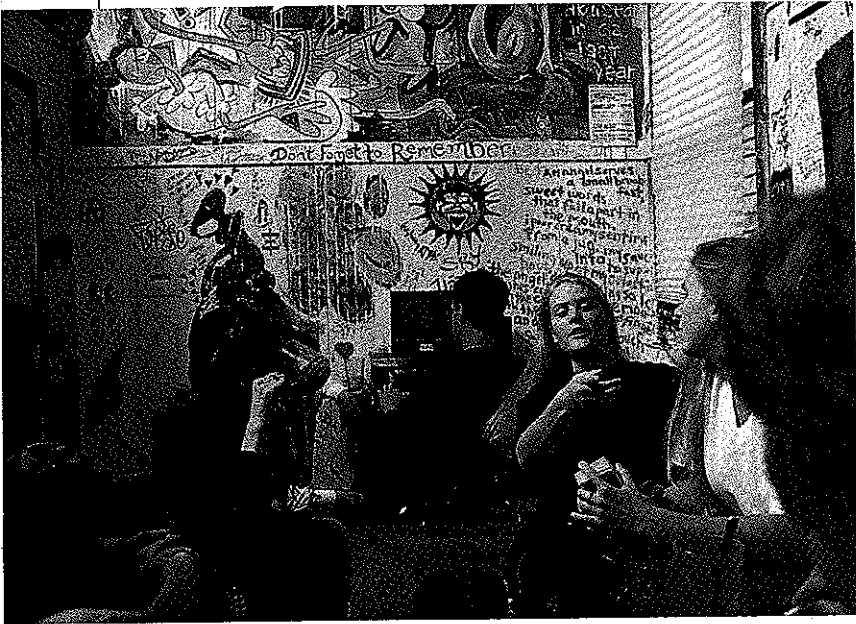


Gerstner's shirt is old hat.



Not in Budapest





Coffee and computer klatch at the Horseshoe café in San Francisco

business is nonsubscriber and includes punk rockers and homeless people. Gregori, a former real estate broker and computer consultant, has begun negotiations in New York City, Minneapolis, and Atlanta to install computers in cafés in those cities that would hook up with the San Franciscans.

What's in it for the cafés? They collect a small percentage of the coin revenues. Plus, a public-access computer draws customers. The Horseshoe is particularly popular with foreign tourists, though that can be a mixed blessing. Says manager Sohail Rahman: "We get a lot of Germans, much to our chagrin. German tourists never tip." — Jennifer Reese

OPEN HOUSE FOR SOLAR HOMES

■ Even normal folk live in homes powered by solar energy. On October 16, gawkers will be able to visit over 100 such places in 39 states.

Among the hosts: Ted Riehle, 68, who heats his water and gets all his electricity from solar panels installed on and outside his three-bedroom house on Savage Island, Ver-

mont. Riehle, a former Navy commander and manufacturing executive who served in the Vermont state legislature, says using solar cells is cheaper than getting hooked up with the local electric utility, whose power lines are over a mile away.

The national "open house" day is sponsored by **Real Goods Trading** of Ukiah, California, a company that sells solar energy products. Says President John Schaeffer, 43, a former commune dweller: "Our customers used to be urban refugees moving back to the land, many of them marijuana growers living



Visitors will be welcome at this solar home overlooking Lake Champlain.

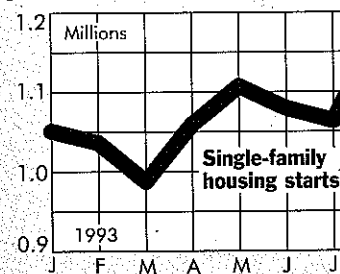
in the woods, misfits, the fringes of society. Now we're getting a lot more mainstream types." Call him at 800-762-7325 for directions to the solar home nearest you.

Sales of photovoltaic panels, which capture and store solar energy, reached \$1 billion in 1992, according to Strategies Unlimited, a research firm in Mountainview, California. Manufacturers include **Amoco**, **Kyocera**, **Mobil Oil**, and **Siemens**. A homeowner typically spends between \$5,000 and \$10,000 to buy and install the panels and the batteries they charge. Utilities like **Niagara Mohawk Power** and **Pacific Gas & Electric** are looking into offering solar power to rural customers. — Rick Tetzeli

NEEDY NAFTA

■ As prospects for the North American Free Trade Agreement shrank to the size of a Chihuahua, Treasury Secretary Lloyd Bentsen scolded U.S. business leaders for failing to support the treaty. "We need you out there influencing opinion," he chided several hundred guests at an Economic Club of New York dinner.

STATISTIC TO WATCH



More New Homes

■ Like a released spring, construction of single-family houses shot up in August to the highest level in six years. The surge shows that low mortgage rates and modest home prices eventually do work.

August's strength may be overstated because the floods that devastated the Midwest depressed July numbers. But it's more than a fluke. Builders report traffic up in model homes and construction loans easier to get. — Joseph Spier

The friends of freer trade have been strangely quiet. They do fund a Washington lobby, USA*NAFTA, whose 2,700 members range from such major corporations as **Motorola** to hundreds of small businesses like **Cole Hardwood**, a Logansport, Indiana, manufacturer of moldings and office furniture parts. Says owner Milt Cole: "I don't want to move my plant to Mexico. I want to sell products to Mexicans."

But many NAFTA supporters took passage for granted, underestimating the power of the treaty's most vocal enemy, Ross Perot. The lobby was further weakened early on because its two leaders were preoccupied: James D. Robinson III was losing his job as CEO of **American Express** and Kay R. Whitmore was being pushed out of his position as CEO of **Eastman Kodak**.

USA*NAFTA believes it has its act together at last. Under a new leader, **Allied-Signal** CEO Lawrence A. Bossidy, the